

1 [Sale of Transferable Development Rights - War Memorial Complex - 301 and 401 Van Ness
2 Avenue]

3 **Resolution authorizing the Director of Property to sell up to 550,000 gross square feet**
4 **of remaining transferable development rights (“TDR”) previously authorized from the**
5 **War Memorial Complex, located at 301 and 401 Van Ness Avenue, at fair market value;**
6 **and to execute and record Certificates of Transfer and to take such additional actions**
7 **as may be necessary to effectuate one or more TDR transfers in accordance with**
8 **Planning Code, Section 128.**

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10 WHEREAS, On April 27, 2003, the Board of Supervisors approved Ordinance No. 77-
11 04 which, among other things, amended Planning Code, Section 128, to provide that a lot
12 zoned P (public) may be a Transfer Lot for purposes of conveying Transferable Development
13 Rights (“TDR”), provided that certain criteria outlined in Section 128(a)(4) are satisfied, and as
14 further amended in Ordinance No. 87-07, approved by the Board of Supervisors on April 27,
15 2007; and

16 WHEREAS, On May 10, 2007, the War Memorial Board of Trustees adopted
17 Resolution No. 07-26, authorizing the City’s Director of Property to negotiate and enter into
18 contracts for the sale of TDR from the War Memorial Complex, with the net proceeds from any
19 such sales deposited to a segregated, interest bearing account established by the City’s
20 Controller as a trust asset specifically for the War Memorial Complex; and

21 WHEREAS, On January 28, 2014, the Board of Supervisors approved Resolution No.
22 16-14 (“TDR Resolution”), authorizing the Director of Property to (i) transfer up to 1,100,000
23 gross square feet of TDR; and (ii) sell 550,000 gross square feet of those TDR (“First TDR
24 Tranche”), from the War Memorial Complex (Assessor’s Parcel Block No. 0786A, Lot No. 001)
25 at 301 and 401 Van Ness Avenue (the “Property”); and

1 WHEREAS, Upon sale of the First TDR Tranche, the TDR Resolution requires the
2 Director of Property to submit supplemental enabling legislation to the Board of Supervisors to
3 authorize the sale of the remaining 550,000 square feet of TDR (“Second TDR Tranche”); and

4 WHEREAS, Having sold the First TDR Tranche, the Director of Property, with
5 recommendation from the Managing Director of the War Memorial Complex, seeks
6 authorization to sell the Second TDR Tranche, at a minimum sales price set at fair market
7 value; and

8 WHEREAS, Under the terms of Planning Code, Section 128, the transfer of TDR from
9 the Property to an eligible transferee or an eligible Development Lot requires certain
10 administrative actions by Director of Property, including, but not limited to, the recording of a
11 Certificate of Transfer against the Property that states the amount of TDR available for
12 transfer, and that the transfer of TDR permanently reduces the development potential of the
13 Property by the amount of TDR transferred; and

14 WHEREAS, The proposed Second TDR Tranche transfer would involve soliciting
15 interested buyers, negotiating applicable TDR Transfer Agreements (the “Agreements”), and
16 establishing a market value transfer price of the TDR; and

17 WHEREAS, It is in the interest of the City to sell the Second TDR Tranche from the
18 Property to effectuate rehabilitation and restoration of the War Memorial Complex, which may
19 include payment of debt service in furtherance of said rehabilitation and restoration; now,
20 therefore, be it

21 RESOLVED, That, provided that the criteria and requirements of Planning Code,
22 Section 128, with respect to transfer of TDR are met, the Board of Supervisors authorizes the
23 Director of Property to execute and record the Certificate of Transfer and to negotiate and
24 execute Agreements and to take such other actions as reasonably required under Planning
25 Code, Section 128, to effectuate the transfer of the Second TDR Tranche of up to 550,000

1 gross square feet of TDR from the Property to buyers on a rolling basis, upon satisfaction of
2 the following conditions: (i) buyer has executed an Agreement (or Agreements), in form
3 acceptable to the Director of Property and City Attorney, acquiring TDR at no less than fair
4 market value; and (ii) the Agreements are acceptable to the Managing Director of the War
5 Memorial Complex; and, be it

6 FURTHER RESOLVED, All funds from the sale of TDRs from the Property shall be
7 placed into the segregated account established by the Controller as a trust asset to be used
8 solely for the rehabilitation and restoration of the War Memorial Complex, (which may include
9 payment of debt service in furtherance of said rehabilitation and restoration of the War
10 Memorial Complex) in accordance with the Secretary of the Interior Standards; and, be it

11 FURTHER RESOLVED, That the Director of Property is hereby authorized and urged,
12 in the name and of behalf of the City and County, to execute and deliver the title to TDR to the
13 buyer upon the closing of escrow in accordance with the terms and conditions of the
14 applicable Agreement(s) as negotiated, and to take any all steps (including, but not limited to,
15 the execution and delivery of any and all certificates, agreements, notices, consents, escrow
16 instructions, closing documents and other instruments or documents) as the Director of
17 Property deems necessary or appropriate, in consultation with the City Attorney, to
18 consummate the sale of the TDR, or to otherwise effectuate the purpose and intent of this
19 Resolution, such determination to be conclusively evidenced by the execution and delivery by
20 the Director of Property of any such documents; and, be it

21 FURTHER RESOLVED, That the Director of Property will report to the Capital Planning
22 Committee and the Board of Supervisors' Budget & Finance Committee at the end of each
23 quarter to report and update the results of sales of City owned TDR, provided that if no sales
24 take place in the previous quarter, no such report is required; and, be it

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1 FURTHER RESOLVED, That the minimum TDR sale price of \$25 per square foot is
2 affirmed; and that in addition to the quarterly reports, the Director of Property will provide an
3 annual written report to the Board of Supervisors detailing the sale of TDR's.

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RECOMMENDED:

Director of Property